



TESTING, INSPECTION & CERTIFICATION

QUARTERLY SECTOR REVIEW | 1Q 2020

HW Harris Williams

SELECT TIC M&A TRANSACTIONS

Announced December 11, 2019



The Kleinfelder Group acquires the Geotechnical, Environmental, and Testing Division of Advantage Engineers

- The Geotechnical, Environmental, and Testing Division of Advantage Engineers is a leading provider of telecommunications engineering, geotechnical and environmental services in the Mid-Atlantic region.
- The Kleinfelder Group is currently a portfolio company of Wind Point Partners.

Announced December 4, 2019



Pace Analytical Services acquires Shealy Environmental Services

- Shealy Environmental Services is a leading provider of comprehensive analytical and biological services for industrial, environmental engineering and regulatory clients.
- Pace Analytical Services is currently a portfolio company of Aurora Capital.

Announced November 25, 2019



EN Engineering acquires QC Data

- QC Data is a leading engineering design firm offering construction planning, specialized drafting services and systems support.
- EN Engineering is currently a portfolio company of Kohlberg & Co.

Announced November 25, 2019



TRC Companies acquires Environmental Partners

- Environmental Partners is a leading provider of environmental assessment, remediation and liability management for industrial and commercial projects.
- TRC Companies is currently a portfolio company of New Mountain Capital.

Announced November 21, 2019



SPL acquires Measurement Services Division of Banded Iron Group

- The Measurement Services Division of Banded Iron Group is a Canada-based provider of laboratory and measurement services to oil and gas producers.
- SPL is currently a portfolio company of Industrial Growth Partners.

Announced November 18, 2019



FoodChain ID acquires Diversified Laboratories

- Diversified Laboratories is a leading analytical laboratory specializing in the detection of pesticide, chemical and quality measurements in food and animal feed products.
- FoodChain ID is currently a portfolio company of Paine Schwartz Partners.

Announced October 25, 2019



Trinity Consultants acquires WorkingBuildings

- WorkingBuildings is a leading provider of commissioning, related engineering, support programming and operational services for complex facilities.
- Trinity Consultants is currently a portfolio company of Levine Leichtman Capital Partners.

KEY TAKEAWAYS FROM HW NORTH AMERICAN TIC WHITE PAPER

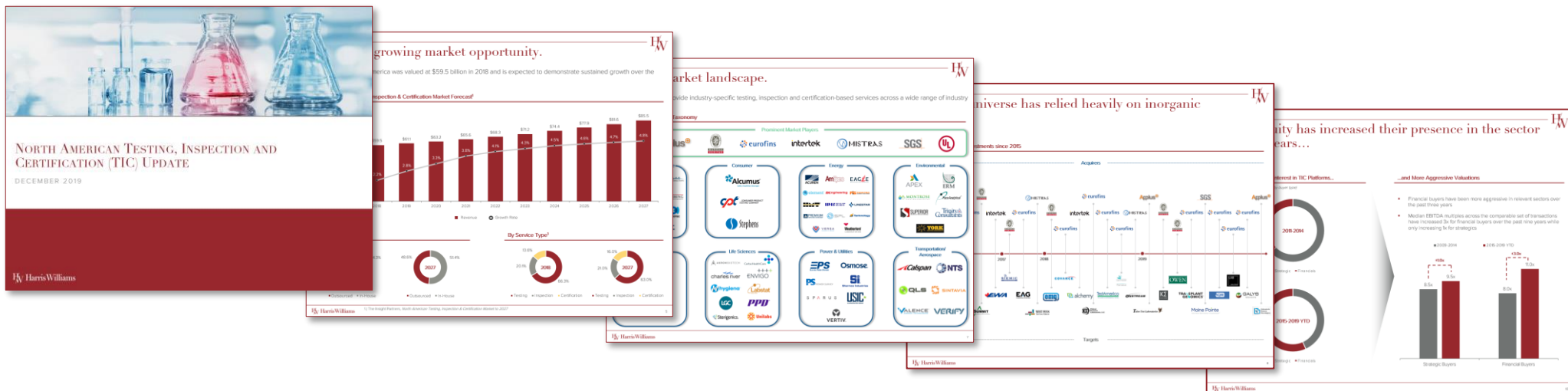
Companies in the TIC sector provide a wide range of essential services, from auditing and inspection to testing, verification, quality assurance and certification. The segment is broad and diverse, spanning virtually every industry, which presents a host of opportunities for potential investors.

The growth of the \$60 billion TIC sector will be fueled by an increasing focus among businesses and government agencies on ensuring everything consumers use—from critical infrastructure and industrial processes to food and electronic devices—meets required standards and regulations in terms of quality, health and safety, environmental protection, and social responsibility.

In this new report, Harris Williams provides an overview of the North American TIC sector, a view of the current market landscape and its ongoing evolution, and key considerations for strategic buyers and financial investors.

Opportunities in Testing, Inspection and Certification (click for link)

- Key North American TIC market segments—key services, size, growth drivers and outlook
- Addressable market size, growth drivers and outlook
- Recent trends in M&A focus for strategic buyers and financial investors
- Segment taxonomy and M&A history
- Public and private companies in market landscape



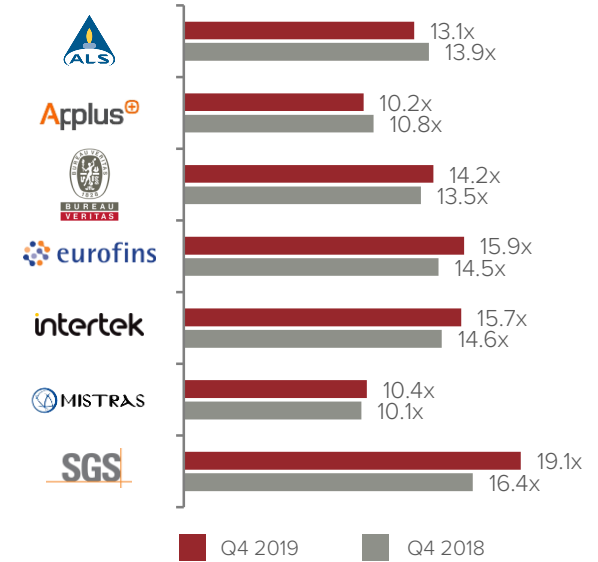
TIC PUBLIC COMPANY VALUATIONS¹

EV / EBITDA MULTIPLE

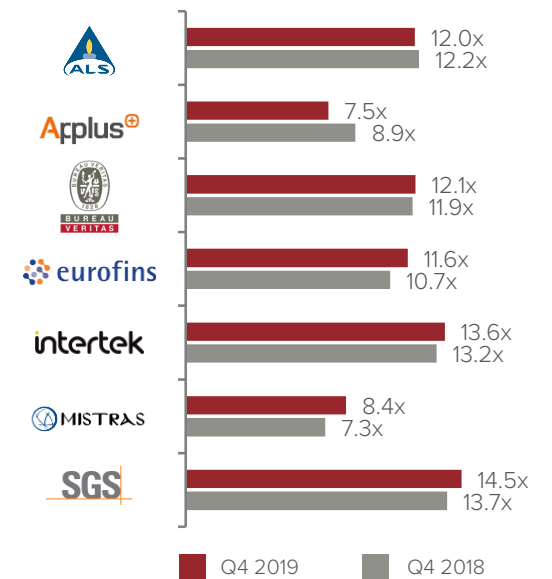
(Median of ALQ-AU; APPS-ES; BVI-FR; ERF-FR; ITRK-GB; MG-US; SGSN-CH)



EV / LTM EBITDA MULTIPLE

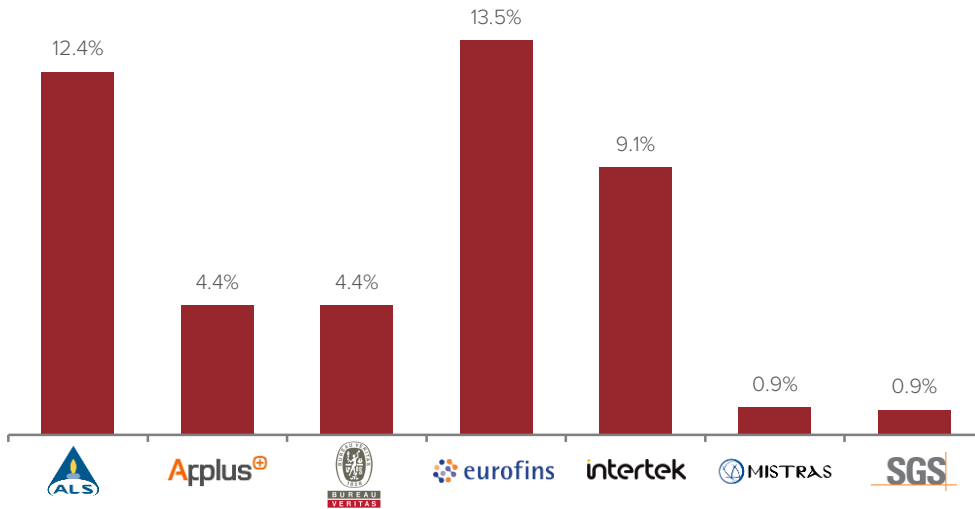


EV / NTM EBITDA MULTIPLE

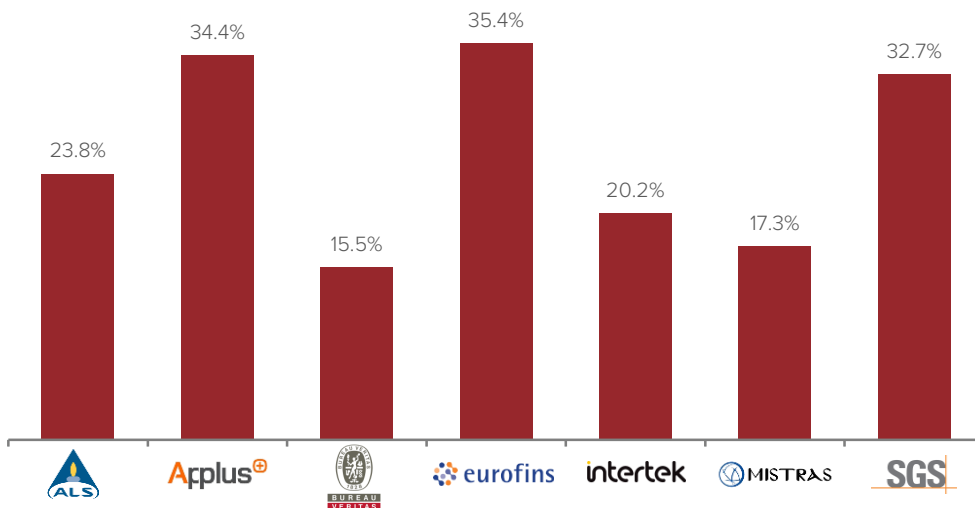


TIC PUBLIC COMPANY BENCHMARKING¹

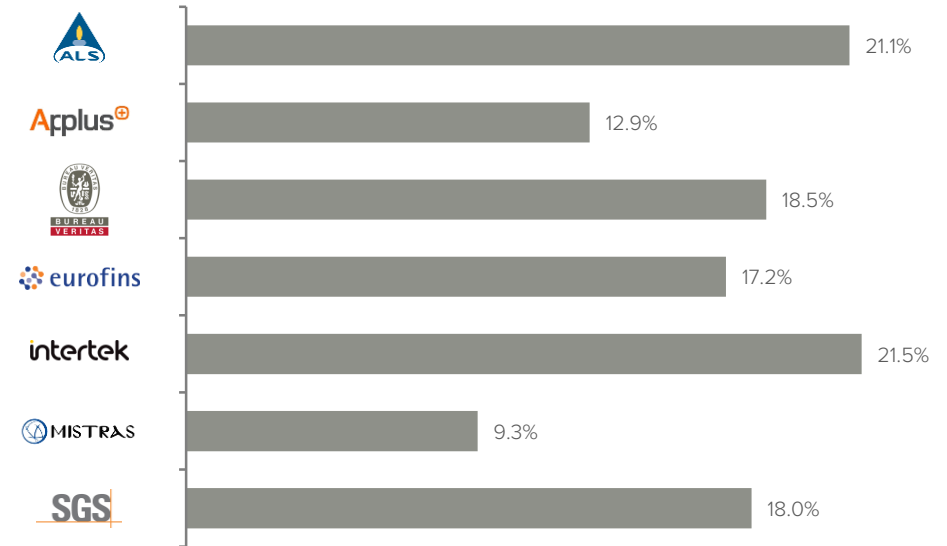
NTM REVENUE GROWTH FORECAST



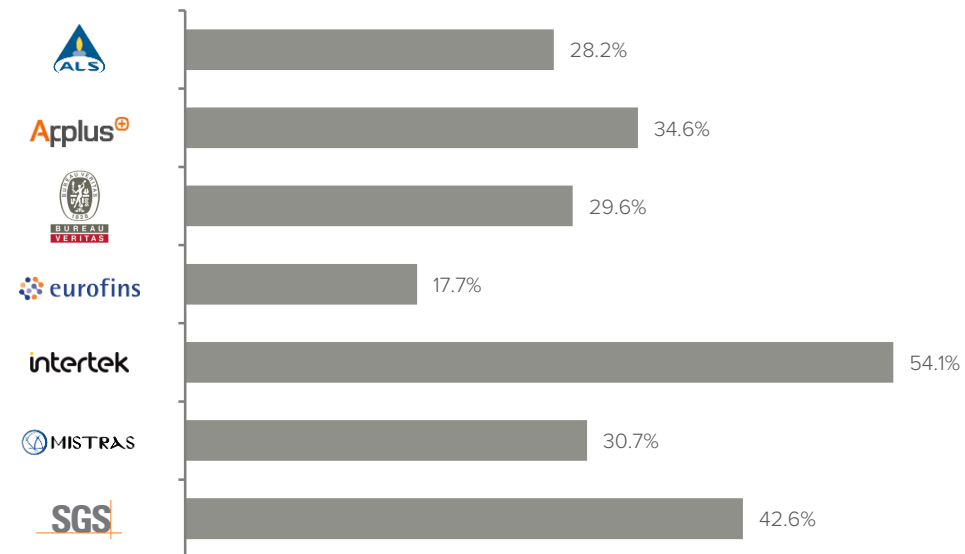
NTM EBITDA GROWTH FORECAST



LTM EBITDA MARGIN



GROSS PROFIT MARGIN



HARRIS WILLIAMS OVERVIEW

GLOBAL ADVISORY PLATFORM

- Founded in 1991
- 370+ professionals across eight offices globally
- 170+ closed transactions in the last 24 months
- 10 dedicated industry groups



HW TESTING, INSPECTION & CERTIFICATION SECTOR FOCUS AREAS

BUILDINGS & INFRASTRUCTURE

- Design Review
- Commercial, Residential and Civil Inspection
- Project and Construction Management
- Construction Materials Testing
- Structure Integrity Analysis

CONSUMER

- Product Failure Analysis
- Environmental Impact Testing
- Consumer Products Testing
- Trade Certification and Auditing
- Expert Witness Services

ENERGY / OIL & GAS

- Oil, Fuel, Liquids and Chain of Custody Testing
- Energy Infrastructure Inspection and Testing
- Integrity Management
- Corrosion Monitoring
- Production Analytics and Measurement

ENVIRONMENTAL

- Stormwater Management
- Emissions Monitoring and Testing
- Soil, Water and Air Testing
- Environmental Consulting
- Industrial Hygiene

FOOD & AGRICULTURE

- Pesticide, Soil and Seed/Crop Testing
- FDA Audit and Compliance
- Chemical and Nutritional Testing
- Food Production Assessments
- Food Contaminant Testing

LIFE SCIENCES

- Pharmaceuticals Testing
- Medical Device Testing
- Ecological Toxicology
- Residue and Analytical Chemistry
- Soil, Plant and Animal Metabolism

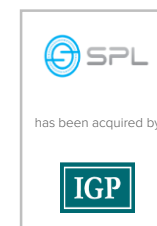
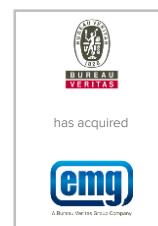
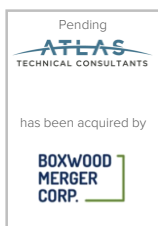
POWER & UTILITIES

- T&D Inspection and Testing
- Electrical Inspection and Testing
- Renewables Testing and Inspection
- In-Plant Inspection
- Reliability Services

TRANSPORTATION & AEROSPACE

- Supplier and Supply Chain Audits
- Third-Party Assessments
- Performance Management Services
- Aerospace and Automotive Parts Testing
- Manufacturing Inspection

SELECT RECENT HW TIC TRANSACTIONS



CONTENTS

- [DEAL SPOTLIGHT](#)
- [M&A TRANSACTIONS](#)
- [TIC PUBLIC COMPANY VALUATIONS](#)
- [TIC PUBLIC COMPANY BENCHMARKING](#)

RECENT PUBLICATIONS

- [OPPORTUNITIES IN TESTING, INSPECTION AND CERTIFICATION \(TIC\)](#)

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SELECT HW TIC TRANSACTIONS

<p>Pending</p> <p>is being acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has acquired</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>
<p>has been acquired by</p>	<p>has acquired</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has acquired</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has acquired</p>
<p>has been acquired by</p>	<p>has acquired</p>	<p>has received a growth investment from</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has acquired</p>	<p>has received an investment from</p>

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SERVICES**

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& INFRASTRUCTURE**

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DISTRIBUTION**

**TRANSPORTATION
& LOGISTICS**

**BUILDING PRODUCTS
& MATERIALS**

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& LIFE SCIENCES**

INDUSTRIALS

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Sources

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Disclosures

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